

RATLOU LOCAL MUNICIPALITY

**UNAUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Annual Financial Statements

for

Ratlou Local Municipality**for the year ended 30 June 2014**

Province:

North West

Contact Information:	
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Members of the Council

Mayor

Speaker

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for the year ended 30 June 2014

Municipal Manager
G Lekomanyane

Chief Financial Officer
Patience Leburu

Grading of Local Authority
Grade 1 (NW 381)

Auditors
Auditor-General

Bankers
First National Bank: Stella Branch

Registered Office: Municipal Offices

Physical address:

DeLareyville Road
Next to Setlagole Library
Setlagole

Postal address:

Private Bag X209
Madibogo
2772

P O Box 494
Stella
8650

Telephone number: 018 330 7000

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Ratlou Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 6 to 62, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 19 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Accounting Officer

Ratlou Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

These annual financial statements for 2013/14 have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

2. BUDGET

Council approved a capital budget of **R33 211 000** and operational budget of **R79 966 998** for the 2013/2014 financial year. A further amount of **R46 934 406** was approved in an adjustments budget

3. OPERATING RESULTS

Revenue for the current year has increased from **R98 174 878** in the previous year, to **R131 000 617** in the current years representing a **25%** increase.

4. CAPITAL COMMITMENTS

Capital commitment increased from **R13 518 934** to **R18 198 156** which represents a increase of **33%**.

5. INVESTMENTS

On 30 June 2014 investments amounted to **R 13 905 809** . The amount increased with **R13 822 899** from the prior year, representing a **99%** increase.

6. CASH

At 30 June 2014, cash amounted to **R 28 582 628**. The amount increased with **R 10 513 101** from the prior year, representing a **38.11%** increase.

7. PROVISIONS

Provisions of **R 4 213 233** were made in the 2013/14 financial year.

8. APPRECIATION

My appreciation goes to the Mayor, the Speaker, the Chief Whip, Councillors, the Municipal Manager, Executive Managers, Managers and the staff for their support and cooperation received during the year.

I wish to convey a special work of appreciation to all the staff members who assisted me during the compilation of the financial statements for their dedication and hard work, as well as to all the employees of Ratlou Local Municipality.

Chief Financial Officer

Ratlou Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

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Ratlou Local Municipality
STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Note	2014 R	2013 R
ASSETS			
Current assets			
Cash and cash equivalents	15	27 582 628	17 069 527
Receivables from non-exchange transactions	16	23 225 490	39 638
Receivables from exchange transactions	17	703 173	257 492
VAT receivable	18	10 845 880	16 415 574
Inventories	19	720 749	1 010 738
		<u>63 077 919</u>	<u>34 792 969</u>
Non-current assets			
Investment Property	20	18 391 000	17 350 000
Property, plant and equipment	21	183 812 482	149 340 387
		<u>202 203 482</u>	<u>166 690 387</u>
Total assets		<u>265 281 401</u>	<u>201 483 356</u>
LIABILITIES			
Current liabilities			
Cash and cash equivalents	15	-	-
Employee benefit obligations	22	4 516 489	-
Payables from exchange transactions	23	22 862 523	10 537 761
Provisions	22	-	4 928
Unspent conditional grants and receipts	24	10 564 091	10 257 876
		<u>37 943 103</u>	<u>20 800 565</u>
Non-current liabilities			
Employee benefit obligations	22	892 454	-
Provisions	25	556 575	1 198 974
		<u>1 449 029</u>	<u>1 198 974</u>
Total liabilities		<u>39 392 132</u>	<u>21 999 540</u>
Net assets		<u>225 889 269</u>	<u>179 483 807</u>
NET ASSETS			
Accumulated surplus / (deficit)		225 889 269	183 672 648
Total net assets		<u>225 889 269</u>	<u>183 672 648</u>

Ratlou Local Municipality
STATEMENT OF CHANGES IN NET ASSETS
as at 30 June 2014

		Accumulated Surplus/(Deficit)	Total: Net Assets
	Note	R	R
Balance at 30 June 2012		166 342 242	166 342 242
<i>As previously stated</i>		166 342 242	166 342 242
<i>Correction of Prior Year Error</i>	28	-	-
Surplus / (deficit) for the period		13 141 565	13 141 565
<i>As previously stated</i>		13 141 565	13 141 565
<i>Correction of Prior Year Error</i>	28	-	-
Balance at 30 June 2013		179 483 807	179 483 807
<i>As previously stated</i>		179 483 817	179 483 817
<i>Correction of Prior Year Error</i>		-	-
Surplus / (deficit) for the period		39 823 897	39 823 897
Balance at 30 June 2014		219 188 928	219 188 928

**Ratlou Local Municipality
CASH FLOW STATEMENT
for the year ended 30 June 2014**

		Note	2014 R	2013 R
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts	-		137 045 555	96 569 420
Property Rates			9 738 543	490 904
Grants and Subsidies Received			118 753 153	93 427 545
Rental, service and other charges			1 059 186	838 387
Interest received			1 924 979	1 812 583
VAT received			5 569 694	
Payments	-		79 237 137	76 035 350
Employee costs			57 887 870	37 866 002
Suppliers and other			21 295 941	38 147 559
Interest paid			53 326	21 789
VAT paid				-
Net cash flows from operating activities	-	26	57 808 418	20 534 069
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets			(47 371 656)	(28 295 204)
Proceeds from sale of fixed assets			76 339	-
Net cash flows from investing activities			-47 295 317	-28 295 204
Net increase / (decrease) in net cash and cash equivalents			10 513 100	(7 761 135)
Net cash and cash equivalents at beginning of period			17 069 527	24 830 661
Net cash and cash equivalents at end of period		15	27 582 627	17 069 527

**RATLO
STATEMENT
ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)**

	2014			
	Actual R	Budget R	Variance	
			R	%
REVENUE				
Property Rates	9 738 543.02	3 310 000.00	6 428 543.02	194%
Rental of facilities and equipment	1 041 010.63	1 200 000.00	(158 989.37)	-13%
Interest earned - external investments	1 924 978.60	1 300 000.00	624 978.60	48%
Government grants and subsidies	114 473 227.61	125 753 120.00	(11 279 892.39)	-9%
Other income	4 581 328.56	19 505 471.00	(14 924 142.44)	-77%
TOTAL REVENUE	131 759 088.42	151 068 591.00	(19 309 502.58)	-0
EXPENDITURE				
Employee related costs	36 493 921.80	36 491 000.00	(2 921.80)	0%
Remuneration of councillors	8 603 681.25	8 500 000.00	(103 681.25)	-1%
Impairment of receivables	213 358.02	3 010 000.00	2 796 641.99	93%
Collection costs	-	-	-	0%
Depreciation	7 238 382.55	7 200 000.00	(38 382.55)	-1%
Repairs and maintenance	3 695 466.06	4 547 000.00	851 533.94	19%
Interest paid	53 325.79	80 000.00	26 674.21	0%
Bulk purchases	-	-	-	0%
Contracted services	10 107 615.59	5 000 000.00	(5 107 615.59)	-102%
Grants and subsidies paid	-	-	-	-
General expenses	23 237 754.73	39 353 422.00	16 115 667.27	41%
TOTAL EXPENDITURE	89 643 505.79	104 181 422.00	14 537 916.22	14%
Gain / (loss) on disposal of PPE	1 041 000.00	-	1 041 000.00	-100%
(Impairment loss) / reversal of impairment loss	2 252 154.81	-	2 252 154.81	100%
Profit / (loss) on fair value adjustment	(5 584 840.09)	-	(5 584 840.09)	100%
		-		
NET SURPLUS / (DEFICIT) FOR THE YEAR	39 823 897.36	46 887 169.00	(36 139 104.07)	-77%

**U LOCAL MUNICIPALITY
IENT OF APPROPRIATION
(AND EXPENDITURE) FOR THE YEAR ENDED 30 JU**

Explanation of significant variances greater than 10% versus budget

Billing due to billing of state property rate on properties.

Over due accounts handed over for debt collection

Increased as per income generated

-

-

-

Mainly due to provision for non-payment by other organs of state

-

-

-

-

-

Contracted on risk based on collection on some service providers

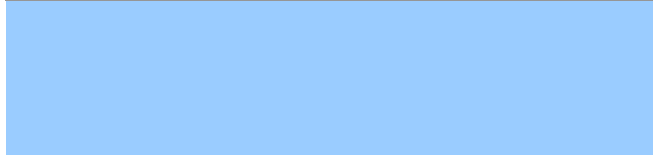
Mainly on expenses of day to day running of the municipality

Not anticipated per budget compilation

Not anticipated per budget compilation

Not anticipated per budget compilation

NE 2014



Ratlou Local Municipality
ACCOUNTING POLICIES
for the year ending 30 June 2014

1 PRESENTATION OF FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting unless specified otherwise.

The principal accounting policies adopted in the preparation of these annual financial statements are as follows:

The accounting policies applied are consistent with those used to present the previous year's financial statements. Details of any changes in accounting policies are explained in the relevant policy.

1.2 STATEMENT OF COMPLIANCE

These annual financial statements have been prepared in accordance with General Interpretations and directives, issued by the Accounting Standards Board (ASB) and the Municipal Finance Management Act (MFMA).

1.3 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required by the Accounting Standards Board (ASB).

1.4 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand (R), which is the functional currency of the Municipality.

1.5 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the Municipality will continue to operate for the foreseeable future, at least the next 12 months.

1.6 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an additional statement to the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is changed, the nature and reason for the reclassification is disclosed. Where accounting errors are corrected retrospectively as far as is practicable, and the prior year comparatives are restated, the adjustment is made retrospectively as far as is practicable. Where a change of accounting policy in the current year, the adjustment is made retrospectively as far as is practicable.

1.7 ADOPTION OF GRAP

1.7.1 The following Standard of GRAP became effective in the current financial year.

<u>GRAP Standard</u>	<u>Effective date as determined by the Minister of Finance</u>
GRAP 25 - Employee Benefits	01-Apr-

1.7.2 The following standards of GRAP have been issued by the ASB, but the Minister has adopted by the municipality:

<u>GRAP Standard</u>	<u>Effective date as determined by the Minister of Finance</u>
GRAP 18 - Segment Reporting	Not yet effective
GRAP 20 - Related Party Disclosures	Not yet effective
GRAP 26 - Impairment of cash generating assets	01-Apr-
GRAP 27 - Agriculture (as revised in 2012)	Replaces GRAP 27
GRAP 31 - Intangible Assets (as revised in 2012)	Replaces GRAP 31
GRAP 32- Service Concession: Grantor	Not yet effective
GRAP 105 - Transfer of functions between entities under common control	Not yet effective
GRAP 106 - Transfer of functions between entities not under common control	Not yet effective
GRAP 107 - Mergers	Not yet effective
GRAP 108 - Statutory Receivable	Not yet effective

1.8 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

1.8.1 USEFUL LIVES AND IMPAIRMENT OF ASSETS

The review of the useful lives and residual values are performed annually. Where f

Property, plant and equipment and intangible assets are assessed annually for in utilisation, condition, functional performance and obsolescences. Changes in these previous impairment losses recognised.

The estimated useful lives of property, plant and equipment are as follows:

Infrastructure

Roads and Lights	10-40
Water Pipelines	25-50
Water Pumps, Purification and Reservoirs	30-55
Water tanks	10
Sewerage	25-30
Landfill Site Perimeter Protection and structures	10-55

Community	
Buildings	10-30
Recreational Facilities	30
Cemeteries	30
Halls	30
Libraries	30
Civic Buildings	30
Electricity	10
Other assets	15-30
Other	
Buildings	30
Office equipment	7
Furniture and fittings	7
Emergency equipment	5-10
Computer equipment	5
Motor Vehicles	5-10
Other assets	4-10

The estimated useful lives of intangible assets are as follows:

Computer software	5-7
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The depreciation methods were assessed and are considered to be appropriate ; assets will be utilised, which is unlikely in the foreseeable future.

1.8.2 IMPAIRMENT OF FINANCIAL ASSETS

An impairment is recognised for estimated losses firstly on an individually significant credit risk that are assessed to be impaired based on objective evidence reporting period. For debtors which have defaulted, management makes judgment payments. Creditworthiness is not used in assessing debtor balances. Should the could differ significantly from the impairment losses recognised.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 PROPERTY, PLANT AND EQUIPMENT

INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure of goods or services, rental to others, or for administrative purposes, and are expected

An item of property, plant and equipment is recognised as an asset if, and only if it associated with the item will flow to the municipality, and the cost or fair value of t

Items of property, plant and equipment are initially recognised as assets on acqu property, plant and equipment is the purchase price and other costs attributable to to be capable of operating in the manner intended by the municipality. Trade disco also includes the necessary costs of dismantling and removing the asset and restori

Each part of an item of property, plant and equipment with a cost that is significar separately. The depreciable amount of an asset is allocated on a systematic basis c

Where an asset is acquired by the municipality for no or nominal consideration (i.e to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-

SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset that is replaced. Subsequent expenditure incurred on an asset is capitalised when it increases the carrying amount of the asset.

DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method for assets that are significant in relation to the whole asset and that have different useful lives.

The residual value, the useful life of an asset and the depreciation method is reviewed at each reporting date and adjusted if necessary in the Standard of Financial Performance.

The municipality tests for impairment where there is an indication that an asset is impaired. An impairment test is done at each reporting date. Where the carrying amount of an asset is greater than the estimated recoverable amount (or recoverable service amount), an impairment loss is charged to the Statement of Financial Performance.

DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or its service potential expected from the use of the asset is exhausted. The gain or loss arising on disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset at the time of disposal.

2.2 INTANGIBLE ASSETS

INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. It is recognised in the Statement of Financial Position if, and only if it is probable that the expected future economic benefits from the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

An asset meets the identifiability criterion in the definition of an intangible asset when it is sold, transferred, licensed, rented or exchanged, either individually or together with other identifiable intangible assets, and arises from contractual rights (including rights arising from binding arrangements) or other legal rights, regardless of whether those rights are transferable or separable from the entity or

An intangible asset is measured initially at cost. Where an intangible asset is acquired in exchange for other assets, the asset is measured at its fair value as at the date of acquisition, is measured at its fair value as at that date.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, the asset acquired is initially measured at fair value (the cost) deemed cost is the carrying amount of the asset(s) given up.

SUBSEQUENT MEASUREMENT - COST MODEL

After initial recognition, an intangible assets is subsequently carried at cost less intangible asset is amortised over the useful life where that useful life is finite. When available for use, the asset is not amortised but is subject to an annual impairment

AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible as method.

The amortisation period and the amortisation method for an intangible asset with changes are recognised as a change in accounting estimate in the Statement of Financial

The municipality tests intangible assets with finite useful lives for impairment when assessment of whether there is an indication of possible impairment is done at each intangible asset is greater than the estimated recoverable amount (or recoverable amount (or recoverable service amount) and an impairment loss is charged

DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are from the use of the asset. The gain or loss arising on the disposal or retirement of a sales proceeds and the carrying value and is recognised in the Statement of Financial

2.3 INVESTMENT PROPERTY

INITIAL RECOGNITION

Investment property includes property (land or a building, or part of a building, or rentals and/or for capital appreciation, rather than held to meet service delivery or sale of an asset in the ordinary course of operations.

The municipality recognises Investment property asset in its Statement of Financial economic benefits or service potential that are attributable to the asset will flow to measured reliably.

At initial recognition, the municipality measures investment property at cost investment property. However, where an investment property was acquired through investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Under the fair value reporting date. Any gain or loss arising from a change in the fair value of the property arises. Fair value determinations are carried out at regular intervals.

2.4 HERITAGE ASSETS

INITIAL RECOGNITION

Heritage assets are assets that have a cultural, environmental, historical, natural or scientific interest indefinitely for the benefit of present and future generations.

The municipality recognises a heritage asset in its Statement of Financial Position if the benefits or service potential that are attributable to the asset will flow to the municipality reliably.

A heritage asset recognised is initially measured at its cost. The cost of a purchase includes costs directly attributable to bringing the heritage asset to the location and condition intended by management.

Where a heritage asset is acquired by the municipality for no or nominal consideration, its cost shall be equal to the fair value of that asset on the date acquired.

SUBSEQUENT MEASUREMENT - COST MODEL

After recognition as an asset, a class of heritage assets shall be carried at its cost less any accumulated depreciation and impairment losses.

DEPRECIATION AND IMPAIRMENT

Heritage assets are not depreciated.

The municipality tests for impairment where there is an indication that an asset is impaired. An impairment test is done at each reporting date. Where the carrying amount (or recoverable service amount), it is written down immediately and an impairment loss is charged to the Statement of Financial Performance.

DERECOGNITION

Heritage assets are derecognised when the asset is disposed of or when there is no longer any benefit from the use of the asset. The gain or loss arising on the disposal or retirement of the asset is calculated as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

2.5 NON-CURRENT ASSETS HELD FOR SALE

INITIAL RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount is measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and the sale must be completed within one year from the date of classification.

SUBSEQUENT MEASUREMENT

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in the Statement of Financial Performance.

2.5 INVENTORIES

INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the reporting period.

Inventory is recognised as an asset if, and only if it is probable that future economic benefits will flow to the municipality; and the cost of the inventory can be measured reliably.

Inventories are initially recognised at cost. Cost generally refers to the purchase price plus the costs of bringing the inventories to their current location and condition. Where inventory is manufactured, cost includes labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. where the cost is less than the fair value of the item on the date acquired).

SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are measured at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at replacement cost. Redundant and slow-moving inventories are identified and written down. Inventories are recognised in the Statement of Financial Performance in the year in which they are written down. Inventories arising from an increase in net realisable value or current replacement cost are recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that they are sold or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

2.7 FINANCIAL INSTRUMENTS

INITIAL RECOGNITION AND CLASSIFICATION

The municipality classifies financial instruments, or their component parts, on the basis of the substance of the contractual arrangement and the nature of the residual interest in accordance with the substance of the contractual arrangement.

Financial instruments are recognised initially when the municipality becomes a party to the financial instrument, either by committing funds or receiving the benefits.

The municipality does not offset a financial asset and a financial liability unless it currently exists; and the entity intends to settle on a net basis, or to realise the asset and the liability simultaneously.

INITIAL MEASUREMENT

Financial instruments are initially recognised at fair value.

TRANSACTION COSTS

Transaction costs on financial instruments at fair value are recognised in the statement of financial instruments are included in the cost of the instrument.

SUBSEQUENT MEASUREMENT

All non-derivative financial assets or non-derivative financial liabilities that have been designated at fair value or are held for trading, are measured at fair value. All other financial assets or financial liabilities measured at amortised cost are measured at fair value where fair value cannot be measured reliably, is measured at cost.

Amortised cost is calculated based on the effective interest rate method.

Interest relating to a financial instrument or a component that is a financial liability

Net gains or losses on the financial instruments at fair value through profit or loss are recognised in profit or losses. A gain or loss arising from a change in the fair value of a financial asset or financial liability is recognised in profit or loss, except for impairment losses or surplus or deficit.

IMPAIRMENT OF FINANCIAL ASSETS

At each reporting date the municipality assesses all financial assets, other than cash and cash equivalents, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

The inability to redeem amounts due based on the current stream of payments, is objective evidence of impairment.

If there is objective evidence that an impairment loss on financial assets measured at fair value (other than equity investments at fair value through other comprehensive income) exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the rate that the municipality used to determine the initial recognition). Impairment losses are recognised in the statement of financial performance.

Impairment losses are reversed when an increase in the financial asset's fair value can be objectively linked after the impairment was recognised, subject to the restriction that the carrying amount of the asset reversed does not exceed the carrying amount that would have been recognised had the impairment not occurred.

Reversals of impairment losses are recognised in the statement of financial performance.

Impairment losses are not reversed for financial assets held at cost where fair value is not available.

DERECOGNITION OF FINANCIAL ASSETS

FINANCIAL ASSETS

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- *the contractual rights to the cash flows from the financial asset expire, are settled or are transferred;
- *the municipality transfers to another party substantially all of the risks and rewards of ownership;

*the municipality, despite having retained some significant risks and rewards of ownership, transfers control of the asset to another party and the other party has the practical ability to sell the asset to a third party and exercise that ability unilaterally and without needing to impose additional restrictions.

- derecognise the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations created on the basis of their relative fair values at the transfer date. Newly created rights and obligations are allocated between the consideration received and the amounts recognised and derecognised on the date of transfer.

If the municipality transfers a financial asset in a transfer that qualifies for derecognition, and the municipality receives a fee for the transfer of the financial asset for a fee, it recognises either a servicing asset or a servicing liability, depending on whether the fee is expected to compensate the municipality adequately for performing the servicing, or not. If the fee to be received is expected to be more than adequate compensation, the municipality recognises a servicing asset at an amount determined on the basis of an allocation of the carrying amount of the transferred asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the municipality retains a servicing right, the municipality recognises a servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset and the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition, the carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, on the date of the transfer. For this purpose, a relative fair value is determined for each part. The difference between the carrying amount allocated to the part derecognised and the consideration received is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained the transferred asset, the municipality continues to recognise the transferred asset and the consideration received. In subsequent periods, the municipality recognises any revenue or expense arising from the asset, and the associated liability or asset, and the revenue, and the expense, arising from the liability or asset.

FINANCIAL LIABILITY

The municipality removes a financial liability (or a part of a financial liability) from its balance sheet when the obligation specified in the contract is discharged, cancelled, expires or is otherwise extinguished.

An exchange between an existing borrower and lender of debt instruments with no new borrowing or new lending. If a municipality extinguishes the original financial liability and a new financial liability is recognised, the extinguishment of the original financial liability or a part of it is accounted for as having extinguished the original financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, waived, forgiven or assumed by another municipality by way of a non-exchange transaction, is recognised in the Statement of Financial Performance as Revenue from Non-exchange Transactions (Taxes and Transfers).

INVESTMENTS

Other financial assets are measured at fair value unless the fair value cannot be reliably measured. In such cases, financial assets are measured at cost.

RECEIVABLES

All receivables are measured initially at fair value and subsequently measured at amortised cost.

All receivables must be reviewed annually for impairment.

PAYABLES AND BORROWINGS

Financial liabilities consist of payables and borrowings. They are categorised as financial liabilities measured at fair value and subsequently measured at amortised cost which is the initial carrying amount.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including investments, readily convertible into known amounts of cash, that are held with restrictions or less and are subject to an insignificant risk of change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are recognised in the Statement of Financial Performance.

2.8 LEASES

MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards of ownership are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance leases are measured at the fair value of the asset at the inception of the lease and the present value of the minimum lease payments. The carrying amount of the lease liability is reduced by the lease payments due in the period. The interest expense is measured as the sum of the minimum lease payments due in the period, discounted at the interest rate at the inception of the lease. In discounting the lease payments, the municipality uses the interest rate at the inception of the lease. The residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the relevant accounting standards for property, plant, equipment or intangibles. The lease liability is reduced by the lease payments due in the period. Lease finance costs are recognised as interest expense. The derecognition of financial instruments are applied to lease payables. The lease asset is recognised as an asset over the lease term.

Operating leases are those leases that do not fall within the scope of the above definitions. They are accounted for on a straight-line basis over the term of the relevant lease.

MUNICIPALITY AS LESSOR

Under a finance lease, the municipality recognises the lease payments to be received as a receivable. The receivable is calculated as the sum of all the minimum lease payments to be received, discounted at the interest rate implicit in the lease. The receivable is recognised as an asset over the lease term. The interest revenue is recognised as interest revenue on a straight-line basis over the lease term. The derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

2.9 PROVISIONS AND CONTINGENCIES

Provisions are recognised when the municipality has a present or constructive obligation and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Provisions are discounted to their present value using a pre-tax discount rate that reflects the time value of money and adjusted for risks specific to the liability (for example in the case of obligations for long-term contracts).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is a possible obligation or a possible outflow of resources embodying economic benefits is remote. A contingent asset is a possible asset.

Future events that may affect the amount required to settle an obligation are recognised when there is objective evidence that they will occur. Gains from the expected disposal of assets are not recognised. Provisions are not recognised for future operating losses. The present obligation is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.1 REVENUE

REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality in exchange for the value of which approximates the consideration received or receivable.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the useful life of the asset.

Revenue from the sale of goods is recognised when substantially all the risks and rewards of ownership have been transferred to the buyer.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality receives value in exchange for the value of which approximates the consideration received or receivable. Revenue from non-exchange transactions is recognised when receipt or receivable qualifies for recognition as an asset and there is no liability to the municipality.

Revenue from public contributions and donations is recognised when all conditions contribution is to finance property, plant and equipment, when such items of property become available for use by the municipality. Where public contributions have conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery or officials is virtually certain.

GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the recognition as an asset. A corresponding liability is raised to the extent that the grant is transferred to revenue as and when the conditions attached to the grant are met. Revenue is recognised when the asset is recognised.

2.11 EXPENDITURE

Expenditure is classified in accordance with the nature of the expenditure.

The municipality recognises expenditure in the statement of financial performance when there is a potential related to a decrease in an asset or an increase of a liability, other than that which is measured reliably.

The municipality recognises expenses immediately in the statement of financial performance when there is a benefit or service potential or when and to the extent that, future economic benefit is recognised in the statement of financial position as an asset.

The municipality also recognises expenses in the statement of financial performance when there is recognition of an asset, for example, when a liability under a court ruling arises.

Finance cost is recognised as an expense in surplus or deficit in the statement of financial position, using the effective interest rate method.

2.12 BORROWING COSTS

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs for the construction or production of qualifying assets are capitalised to the cost of that asset.

The municipality ceases the capitalisation of borrowing costs when substantially all the qualifying assets are complete. It is considered inappropriate to capitalise borrowing costs where the benefits of the asset acquired cannot be adequately established. Borrowing costs incurred other than on the construction or production of qualifying assets are recognised as an expense in surplus or deficit when incurred.

2.13 EMPLOYEE BENEFITS

Defined Contribution Plan

The municipality provides retirement benefits for its employees and councillors.

Contributions to defined contribution retirement benefit plans are recognised when the employee renders service or served office entailing them to the contributions:

(a) as a liability (accrued expense), after deducting any contribution already paid. Where the employee has rendered service before the reporting date, an entity shall recognise that excess as an expense in surplus or deficit. This may lead to, for example, a reduction in future payments or a cash refund; and

(b) as an expense, unless another Standard requires or permits the inclusion of the liability in the statement of financial position.

Where contributions to a defined contribution plan do not fall due wholly within the reporting period, the municipality will discount the contributions to the present value of the liability at the reporting date.

2.14 IMPAIRMENT OF ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If an asset is impaired, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality intangible assets not yet available for use for impairment annually by comparing its

If there is any indication that an asset may be impaired, the recoverable service amount to estimate the recoverable service amount of the individual asset, the recoverable asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of

If the recoverable service amount of an asset is less than its carrying amount, the service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service unit. The impairment loss is allocated to reduce the carrying amount of the assets of unit.

A municipality assesses at each reporting date whether there is any indication that no longer exist or may have decreased. If any such indication exists, the recoverable

The increased carrying amount of an asset attributable to a reversal of an impairment been determined had no impairment loss been recognised for the asset in prior period

A reversal of an impairment loss of assets carried at cost less accumulated depreciation deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation

2.15 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure from another sphere of government, municipality or organ of state and expenditure Municipal Finance Management Act (Act No.56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance. If the expenditure is subsequently accounted for as revenue in the Statement of Financial Performance, it is written off as irrecoverable in the statement of financial performance. Any receipt is subject to an annual impairment assessment.

2.16 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the policy. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance. If the expenditure is subsequently accounted for as revenue in the Statement of Financial Performance, it is written off as irrecoverable in the statement of financial performance. Any receipt is subject to an annual impairment assessment.

2.17 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would not have been made if it had been known that it was fruitless and wasteful.

Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance. If the expenditure is subsequently accounted for as revenue in the Statement of Financial Performance, it is written off as irrecoverable in the statement of financial performance. Any receipt is subject to an annual impairment assessment.

unting and are in accordance with historical cost convention

ial statements are set out below.

vious year's financial statements, unless explicitly stated. The

erally Recognised Accounting Practice (GRAP), including any
l the Municipal Finance Management Act, (Act No 56 of 2003).

ing is required or permitted by a Standard of GRAP

; the functional currency of the municipality.

municipality will continue to operate as a going concern for at

annexure to these financial statements and forms part of the

s is amended, prior period comparative amounts are restated. If errors have been identified in the current year, the correction is made and prior periods are restated accordingly. Where there has been a change in accounting policy as is practicable, and the prior year comparatives are restated

<u>ined by Minister of e</u>	<u>Possible Impact on the financial statements on initial application</u>
13	Full disclosure on employee short term benefits (undiscounted), post retirement benefits (discounted) including actuarial assumptions

; not determined an effective date and have not been ealry

<u>ined by Minister of e</u>	<u>Possible Impact on the financial statements on initial application</u>
ective	Disclosure and presentation of specific and detailed information about the major activities (service and geographical) undertaken by the municipality, along with the resources allocated to these activities
ective	Full disclosure of nature and effect all
12	Full disclosure of nature and effect of
AP 101	Full disclosure of nature and effect of
AP 102	Full disclosure of nature and effect of
ective	Full disclosure of nature and effect on
ective	Disclosure and presentation of each transaction that relates to a transfer of
ective	Disclosure and presentation of each transaction that relates to a transfer of
ective	Full disclosure of the nature and effect of the two entities that are now combined through a merger.
ective	Full disclosure of the nature and effect

actors exist that indicate that the useful life needs to be

indicators of impairment. The assessment takes into account factors that may lead to either an impairment loss or a reversal of

and will not change unless there is a change in the way that

cant receivables and secondly on a group of receivables with
as a result of one or more events that occurred during the
ents based on an assessment of their ability to make future
financial condition of the customers change, actual write-offs

cture assets) that are held for use in the production or supply
ted to be used during more than one year.

is probable that future economic benefits or service potential
the item can be measured reliably.

acquisition date and are measured at cost. The cost of an item of
to bring the asset to the location and condition necessary for it
discounts and rebates are deducted in arriving at the cost. The cost
of the site on which it is located.

that in relation to the total cost of the item shall be depreciated
over its useful life.

in a non-exchange transaction), the cost is deemed to be equal

to a monetary asset or monetary assets, or a combination of

asured at cost less accumulated depreciation and impairment

he asset being replaced and capitalises the new component.
capacity or future economic benefits associated with the asset

od over the estimated useful lives of the assets. Components
useful lives are depreciated separately.

ewed annually and any changes are recognized as a change in

et may be impaired. An assessment of whether there is an
rying amount of an item of property, plant and equipment is
it is written down immediately to its recoverable amount (or
f Financial Performance.

posed of or when there are no further economic benefits or
the disposal or retirement of an item of property, plant and
arrying value and is recognised in the Statement of Financial

tance. The municipality recognises an intangible asset in its
re economic benefits or service potential that are attributable
be measured reliably.

hen it is separable, i.e. is capable of being separated or divided
 ally or together with a related contract, asset or liability; or
 or other legal rights (excluding rights granted by statute),
 from other rights and obligations.

ired through a non-exchange transaction, its initial cost at the

r monetary assets, or a combination of monetary and non-
 . If the acquired item's fair value was not determinable, it's

accumulated amortisation and impairments. The cost of an asset is not amortised if the useful life is indefinite or the intangible asset is not yet available for sale.

Assets over their estimated useful lives using the straight line method.

Assets with a finite useful life are reviewed at each reporting date and any impairment is recognised in the Statement of Financial Performance.

Where there is an indication that an asset may be impaired. An impairment test is performed at each reporting date. Where the carrying amount of an item of an intangible asset exceeds its recoverable amount, it is written down immediately to its recoverable amount and the impairment is recognised in the Statement of Financial Performance.

Where there is no further economic benefits or service potential expected from an intangible asset, the carrying amount is determined as the difference between the carrying amount and the recoverable amount and is recognised in the Statement of Financial Performance.

Assets (including land or buildings held under a finance lease) held to earn a return, the production or supply of goods or services, or the disposal of assets.

Impairment is recognised in the Statement of Financial Performance if, and only if it is probable that the expected future cash flows from the asset (or the cash flows from the municipality and the cost or fair value of the asset) can be recovered.

including transaction costs once it meets the definition of
ough a non-exchange transaction (i.e. where it acquired the
e of acquisition.

model, investment property is carried at its fair value at the
erty is included in surplus or deficit for the period in which it

, scientific, technological or artistic significance and are held

if, and only if it is probable that the expected future economic
cipality and the cost or fair value of the asset can be measured

d heritage asset comprises of its purchase price, including any
tion necessary for it to be capable of operating in the manner

ation (i.e. a non-exchange transaction), the cost is deemed to

ss any accumulated impairment losses.

et may be impaired. An assessment of whether there is an
ng amount of the heritage asset is greater than the estimated
ely to its recoverable amount (or recoverable service amount)

e no further economic benefits or service potential expected
he heritage asset is determined as the difference between the
al Performance.

ng amount will be recovered through a sale transaction rather
is highly probable and the asset (or disposal group) is available
e sale, which should be expected to qualify for recognition as a

arrying amount and fair value less costs to sell.

or sale, or while it is part of a disposal group classified as held

ied as held for sale are recognised in surplus or deficit.

ng the ordinary course of business.

nic benefits or service potential associated with the item will

ice, plus taxes, transport costs and any other costs in bringing
ctured, constructed or produced, the cost includes the cost of

e. a non-exchange transaction), the cost is deemed to be equal

nd finished goods, are valued at the lower of cost and net
ich case they are measured at the lower of cost and current
tten down in this way. Differences arising on the valuation of
r which they arose. The amount of any reversal of any write-
placement cost is recognised as a reduction in the amount of

the inventory was sold, distributed, written off or consumed,

initial recognition as a financial asset, a financial liability or a

party to the contractual provisions of the instruments and

a legally enforceable right to set off the recognised amounts
at and settle the liability simultaneously.

ement of financial performance. Transactions costs on other

ed or determinable payments, excluding instruments that has
cost. Instruments that do not meet the definition of financial
e unless fair value cannot be determined. Those instruments,

is recognised as revenue or expense in surplus or deficit.

includes transaction costs, interest and foreign exchange gains
et or financial liability measured at fair value is recognised in

those at fair value, to determine whether there is objective

, and default of payments are considered to be indicators of

at amortised cost has been incurred, the amount of the loss is the value of estimated future cash flows (excluding future credit losses) discounted at the effective interest rate (i.e. the effective interest rate computed at the time of initial recognition) less the carrying amount of the asset at the end of the reporting period.

able amount can be related objectively to an event occurring after the reporting period, the amount of the financial asset at the date that the impairment is first identified and the impairment not been recognised.

finance as revenue.

was not determinable.

or waived;

loss of ownership of the financial asset; or

ownership of the financial asset, has transferred control of the asset in its entirety to an unrelated third party, and is able to demonstrate the transfer. In this case, the municipality :

or.

obligations retained and those transferred on the basis of their fair values at that date. Any difference between the carrying amount of the transferred asset and the carrying amount of the obligations retained is recognised in surplus or deficit in the period of the transfer.

If the transferor retains the servicing obligation, the transferor recognises the servicing obligation as a liability. If the fee to be received is not sufficient to cover the servicing obligation, a servicing asset is recognised for the difference between the carrying amount of the transferred asset and the carrying amount of the servicing obligation.

If the transfer results in the municipality obtaining a new financial asset, the transferor recognises the new financial asset, financial liability or servicing obligation.

The carrying amount and the sum of the consideration received is

calculated as follows: If the transferred asset qualifies for derecognition in its entirety, the previous carrying amount of the asset is derecognised and the part that is derecognised, based on the carrying amount of the transferred asset, is treated as a part that continues to be recognised and the sum of the consideration received for the

transfer is recognised as a financial liability for the transferor. If the transferor retains substantially all the risks and rewards of ownership of the asset, the transferor recognises a financial liability for the transfer and the sum of the consideration received for the transfer and the associated expenses are offset.

its statement of financial position when it is extinguished — or waived.

with substantially different terms is accounted for as having been extinguished. Similarly, a substantial modification of the terms of an original financial liability and having recognised a new financial

financial liability) extinguished or transferred to another party and recognised, is recognised in surplus or deficit. Any liabilities that are extinguished in a transaction are accounted for in accordance with the Standard

determined reliably. Where fair value cannot be determined,

amortised cost.

Financial liabilities held at amortised cost, are initially recognised at fair value, less transaction costs, plus interest.

and call deposits). Cash equivalents are short-term highly liquid assets held by registered banking institutions with maturities of three months or less.

Bank overdrafts are expensed as incurred.

s associated with ownership of an asset are transferred to the
 e lease agreements are initially recognised at the lower of the
 esponding liabilities are initially recognised at the inception of
 i terms of the lease agreement, discounted for the effect of
 : that exactly discounts the lease payments and unguaranteed

ce with the stated accounting policies applicable to property,
 ts, which are allocated between the lease finance cost and the
 e expensed when incurred. The accounting policies relating to
 set is depreciated over the shorter of the asset's useful life or

efinition. Operating lease rentals are accrued on a straight-line

ed in terms of a lease agreement as an asset (receivable). The
 e received, plus any unguaranteed residual accruing to the
 e is reduced by the capital portion of the lease instalments
 ime proportionate basis. The accounting policies relating to
 bles.

term of the relevant lease.

gation as a result of past events, it is probable that an outflow of resources and a reliable estimate of the provision can be made. Where the effect is material, non-current provisions are measured at the market's current assessment of the time value of money, less the time value of the rehabilitation of land).

A contingent liability is disclosed unless the possibility of an outflow of resources is remote; disclosed where an inflow of economic benefits is probable.

deducted in the amount of a provision where there is sufficient collateral; assets are not taken into account in measuring a provision. A liability under an onerous contract is recognised and measured as a liability.

liability directly in return for services rendered / goods sold, the liability is recognised.

on a straight-line basis over the term of the lease agreement.

the proportion of the benefits in those goods is passed to the consumer.

A liability received revenue from another entity without directly providing goods or services is generally recognised to the extent that the related liability is repaid or the amount is repaid.

associated with the contribution have been met or where the property, plant and equipment qualifies for recognition and first been received but the municipality has not met the related

property, plant and equipment qualifies for recognition and

nditure is based on legislated procedures, including those set and when the recovery thereof from the responsible councillors

resources that have been transferred meet the criteria for the grant, transfer or donation is conditional. The liability is at. Grants without any conditions attached are recognised as

nce when a decrease in future economic benefits or service those relating to distributions to owners, has arisen, that can be

l performance when expenses produce no future economic efits or service potential do not qualify, or cease to qualify, for

ance in those cases when a liability is incurred without the

statement of financial performance in the period in which it is

rowing costs that are directly attributable to the acquisition, set unless it is inappropriate to do so.

l the activities to prepare the asset for its intended use or sale
 : the link between the funds borrowed and the capital asset
 on qualifying assets are recognised as an expense in surplus or

an employees and councillors have rendered the employment

If the contribution already paid exceeds the contribution due
 sset (prepaid expense) to the extent that the prepayment will

contribution in the cost of an asset

twelve months after the end of the reporting period in which
 utions.

at an asset may be impaired. If any such indication exists, the

also tests intangible assets with an indefinite useful life or carrying amount with its recoverable amount.

amount is estimated for the individual asset. If it is not possible to estimate the cash service amount of the cash-generating unit to which the

of its fair value less costs to sell and its value in use.

the carrying amount of the asset is reduced to its recoverable

or amortisation is recognised immediately in surplus or deficit.

carrying amount of the unit is less than the carrying amount of the cash-generating unit, pro rata on the basis of the carrying amount of each asset in the

an impairment loss recognised in prior periods for assets may be reversed if the carrying amount of those assets is estimated.

an impairment loss does not exceed the carrying amount that would have been determined if no impairment had been recognised in prior periods.

an impairment loss or amortisation is recognised immediately in surplus or deficit or an increase in surplus or deficit.

that is not in terms of the conditions of an allocation received from the government in the form of a grant that is not permitted in terms of the

Financial Performance and where recovered, it is subsequently
 expenditure is recoverable it is treated as an asset until it is recovered from the
 receivable recognised as a result of unauthorised expenditure are subject to an

Management Act (Act No.56 of 2003), the Municipal Systems Act
 contravention of the Municipality's supply chain management

Financial Performance and where recovered, it is subsequently
 expenditure is recoverable it is treated as an asset until it is recovered from the
 receivable recognised as a result of irregular expenditure are subject to an annual

have been avoided had reasonable care been exercised

ement of Financial Performance and where recovered, it is
 . If the expenditure is recoverable it is treated as an asset until it is recovered
 Any receivable recognised as a result of fruitless and wasteful expenditure are

Ratlou Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note

1 PROPERTY RATES

Actual

Residential

Property rates - discounts

Total property rates

Property rates - penalties imposed and collection charges

Total

Valuations

Residential

Valuations on land and buildings are performed every four years. The last valuation on land and buildings was performed in 2010. A general rate of 0.2% (2009/10) is applied to property valuations to determine assessments. A further discount of 18.63% is also granted on the final date of payment being within 30 days.

Average of Discounts:

Rebate Average

Exemptions

Other

Total Other Discounts

2 GOVERNMENT GRANTS AND SUBSIDIES

Equitable Share	2.1
Expanded Public Works Programme Grant	2.2
Financial Management Grant	2.3
LG Seta Grant	2.4
Municipal Infrastructure Grant	2.5
Municipal System Improvement Grant	2.6
Sports Arts & Culture Library Grant	2.7
Total Government Grant and Subsidies	

2.1 Equitable Share

Unconditional grant to fund the operations of the municipality in accordance with the approved MTREF budget.

Current year receipts

2.2 Expanded Public Works Programme Grant

Current year receipts
Conditions met - transferred to revenue

This grant used to fund job creation at the municipality

2.3 Financial Management Grant

Current year receipts
 Unspent at beginning of year
Conditions met - transferred to revenue

2.4 LG Seta Grant

Current year receipts
Conditions met - transferred to revenue

This grant was utilised to fund training of municipal staff

2.5 Municipal Infrastructure Grant

Current year receipts
 Commitment
 Surrendered
 Unspent at beginning of year
 Unspent at the end of the year
Conditions met - transferred to revenue

This grant is utilised to construct various community halls, infrastructure projects to u

2.5 Municipal System Improvement Grant

Current year receipts
 Unspent at the end of the year
Conditions met - transferred to revenue

This grant is utilised to fund the financial operations of the municipality

2.7 Sports Arts & Culture Library Grant

Current year receipts

Conditions met - transferred to revenue

This grant was used for the library function and purchases in Setlagole

3 PUBLIC CONTRIBUTIONS AND DONATIONS

Kalgold grant: Kraaipan Water Project -Planning and Development

3.1

Other unconditional grants and donations

3.1 Kalgold grant: Kraaipan Water Project -Planning and Development

Current year receipts

Unspent at the end of the year

Conditions met - transferred to revenue

This grant is for Township planning Setlagole

4 IMPAIRMENT LOSSES REVERSED

Receivables from non-exchange transactions

Property rates

5 LEASE REVENUE

Rental of facilities

Rental of equipment

6 SERVICE CHARGES

Electricity sales on rented properties

7 INTEREST REVENUE**Non-exchange transactions**

Interest on statutory receivables

Exchange transactions

External investments

Interest on receivables at amortised cost

8 OTHER REVENUE

Insurance
Library
Telecentre
Tender fees
Sundry

9 EMPLOYEE RELATED COSTS

Salaries and Wages
 Performance and other bonuses
 Housing benefits and allowances
 Leave benefits
 Long-Service Awards
 Travel, Motor vehicle, Entertainment and other allowances
 UIF, Pension and Medical Aid Contributions
 Bargaining Council
 Overtime payments
 Other employee related costs
Total Employee Related Costs

Included in the total Employee Related Costs above are the remuneration packages of the Municipal Manager and the Section 57 Managers as set out below:

Overtime payments

REMUNERATION OF THE MUNICIPAL MANAGER

Annual Remuneration
 Performance and Other Bonuses
 Travel, Motor vehicle, Entertainment and other allowances
 UIF, Pension and Medical Aid Contributions
 Other employee related costs
Total

REMUNERATION OF THE CHIEF FINANCE OFFICER

Annual Remuneration
 Travel, Motor vehicle, Entertainment and other allowances
 UIF, Pension and Medical Aid Contributions
 Other employee related costs
Total

REMUNERATION OF TECHNICAL SERVICES DIRECTOR

Annual Remuneration
 Travel, Motor vehicle, Entertainment and other allowances
 UIF, Pension and Medical Aid Contributions
 Other employee related costs
Total

REMUNERATION OF TOWN PLANNING DIRECTOR

Annual Remuneration
 Travel, Motor vehicle, Entertainment and other allowances
 UIF, Pension and Medical Aid Contributions
 Other employee related costs
Total

REMUNERATION OF CORPORATE SERVICES DIRECTOR

Annual Remuneration

Travel, Motor vehicle, Entertainment and other allowances

UIF, Pension and Medical Aid Contributions

Other employee related costs

Total

10 REMUNERATION OF COUNCILLORS AND EXECUTIVES

Fees and basic salaries

Performance and other bonuses

Housing benefits and allowances

Leave benefits

Long-Service Awards

Travel, Motor vehicle, Entertainment and other allowances

UIF, Pension and Medical Aid Contributions

Consisting off:

Mayor

Speaker

Executive Committee Members

Councillors

Councillors' pension and medical aid contributions

Total Councillors' Remuneration

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of the Council owned vehicle for official duties.

11 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on:

Property, plant and equipment

12 IMPAIRMENT LOSSES

Impairment on receivables from non-exchange transactions

Impairment on receivables from exchange transactions

13 CONTRACTED SERVICES

Financial assistance

LED Support

PMS(Staff Assessment)- Executive & Council

Professional fees: outsourced services

Performance Information

Security services

Spatial development plan assistance

Valuation Services

Total

14

GENERAL EXPENSES

Included in general expenses are the following:-

Accommodation and meals
 Advertising
 Arts and Culture Project
 Audit Fees
 Awareness Campaign
 Bank Charges
 Books And Periodicals
 Catering
 Cleaning
 Clothing
 Congress and Conferences
 Consulting Fees
 Consumables
 Professional Fees
 Discretionary Fund
 Disability Services
 Diagnose Support
 Disaster Management
 Donations
 Economic Development
 Electricity And Water
 Email and Websites
 Entertainment
 Events
 Exco Portfolio Committees Oversight
 Financial Management System Fees
 Funerals
 Fuel And Oil
 Hiring Of Venues
 Gardening Services
 Imbizo Expenditure
 Insurance
 Integrated Development Plan
 Internet Charges
 Intership Salaries
 Kraaipan Heritage Research
 Land Restitution Programme
 Learnership Programmes
 Legal Expenses
 Library

Licence Fees

Mandela Day
 Mayoral Economic Empowerment
 Membership Fees
 Municipal Marketing
 Other expenses
 Pastel Evolution Fees
 Performance Information
 Performance Management System
 Pest Control
 PMU Support
 Printing, Stationery And Postage
 Promotional Material
 Publications
 Recovery - unauthorised
 Refreshments
 Rental of Equipment
 Risk Management
 Skills development levies
 SMME Empowerment
 Spatial Development Plan
 Sports Management Support
 Stipend for EPWP Workers
 Stipend for General Workers
 Stipend for Ward Committees
 Stipends for Youth
 Strategic Planning
 Subscription Fees
 Telephone Costs
 Tourism
 Traffic Officers
 Training and courses
 Transport Fees
 Travel And Subsistence
 Waste Management
 Wellness Programme
 Womens Development

Total

15

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement
comprise the following:

Current assets

Cash on hand
 Current account balances
 Call deposits

Current liabilities

Credit card facilities

Total**Cash at bank**

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

First National Bank : Account Number 62023653042

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

Call Deposit - Money Market Account

First National Bank : Account Number 62032709993 @ 3.91% interest

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

Call Deposit - Sports, Arts and Culture Grant

First National Bank : Account Number 62159137978 @ 3.41% interest

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

Call Deposit - Infrastructure Grant

First National Bank : Account Number 62159138299 @ 3.91% interest

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

Petrol Card

Wesbank : 80936

Cash book balance at beginning of year

Cash book balance at end of year

Bank statement balance at beginning of year

Bank statement balance at end of year

Cash on hand

Net cash and cash equivalents (net of overdraft)

16 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**Statutory receivables**

Rates

Gross amount

Less: Impairment Allowance

16.1

Grants receivable

NMMDM Grant: planning

Free Basic Water Grant

Total receivables from non-exchange transactions**16.1 Reconciliation of the Impairment Allowance**

Balance at beginning of the year

Contributions to provision

Doubtful debts written off against provision

Reversal of provision

Balance at end of year**Rates**

Current (0 – 30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121 - 365 Days

+ 365 Days

Less: impairment

Total**17 RECEIVABLES FROM EXCHANGE TRANSACTIONS****Receivables at amortised cost**

Rental & electricity receivables

Gross amount

Less: Impairment Allowance

17.1

Salary related

Sundry

Total receivables from exchange transactions

17.1 Reconciliation of the Impairment Allowance

Balance at beginning of the year
 Contributions to provision
 Doubtful debts written off against provision
 Reversal of provision
Balance at end of year

Rental: Ageing

Current (0 – 30 days)
 31 - 60 Days
 61 - 90 Days
 91 - 120 Days
 121 - 365 Days
 + 365 Days
Total

Less Impairment allowance

18 VAT RECEIVABLE

VAT receivable
Total VAT receivables

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received.

19 INVENTORIES**Opening balance of inventories:**

Consumable stores - at cost
 Maintenance materials - at cost
 Prior Year Error Adjustments on Maintenance

Additions:

Consumable stores
 Maintenance materials

Issued (expensed):

Consumable stores
 Maintenance materials

WRITE-DOWNS / REVERSAL OF WRITE-DOWNS TO NRV

Consumable stores
 Maintenance materials

Closing balance of inventories:

Consumable stores
 Maintenance materials
 Prior Year Error Adjustments on Maintenance

Closing balance of inventories

The First-in-First-out (FIFO) costing method is applied on inventories. The same method is used to the entity. Inventories are measured at the lower of cost and net realisable value.

20 INVESTMENT PROPERTY**Setlagole Business Complex**

Balance at the beginning of the year
 Acquisitions
 Increase/(Decrease) in Fair Value
 Impairment Loss
Balance at the end of the year

20.1 The Investment property has not been pledged as security

20.2 Rental income from investment property
 Direct operating expenses from rental generating property

20.3 Details of valuation

The effective date of the revaluations was 27 June 2014. Revaluations were performed by Bokone Bophirima Property Valuers. Bokone Bophirima Property Valuers are not connected to the entity. The location and category of the properties being valued. The valuation method was based on current market conditions.

21 PROPERTY PLANT AND EQUIPMENT

22 EMPLOYEE BENEFIT OBLIGATIONS

Current portion

Bonus Accrual	22.1
Staff Leave Accrual	22.2

Non-current portion

Provision for Long Service Awards	22.3
-----------------------------------	------

The movement in provisions are reconciled as follows:

22.1 Bonus accrual

Opening balance
Contributions to provision
Expenditure incurred
Closing balance

22.2 Staff leave accrual

Opening balance
Contributions to provision
Expenditure incurred
Closing balance

22.3 Provision for Long Service Awards

Opening balance
Contributions to provision
Expenditure incurred
Closing balance

Key Assumptions

It is difficult to estimate future investment returns and salary inflation rates. The relationship is therefore easier to predict. GRAP 25 requires that financial assumptions be based on the period over which the liability obligations are to be settled.

GRAP 25 stipulates that the choice of this rate should be derived from high quality corporate bonds. If the yield on these bonds is not significant, the market yields on government bonds consistent with the liabilities should be used. Consequently, a discount rate of 8.5% per annum has been used for the purpose of the valuation.

This assumption is more stable relative to the growth in Consumer Price Inflation (CPI). Experience has shown, that over the long-term, salary inflation is between 1.5% and 2.5% and salary increases over the last 5 years and thus a general salary inflation rate of 8.66% has been used.

23 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade creditors
Retentions
Staff Leave Accrual
Bonus Accrual
Other creditors
Total creditors

The Management of the Municipality is of the opinion that the carrying value of creditors approximate their fair values.

24 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

From other spheres of Government

Expanded Public Works Programme Grant
Financial Management Grant

Unspent: Free Basic Water Grant
Municipal Infrastructure Grant
Municipal System Improvement Grant

From other entities

Kalgold grant: Kraaipan Water Project -Planning and Development

Total Unspent Conditional Grants and Receipts

See Note 2 and 3 for reconciliation of grants and receipts. These amounts are invested

25 PROVISIONS

Provision for rehabilitation of landfill site
Provision for Long service award

Total Provisions

Reconciliation of Provisions and Key Assumptions

Provision for rehabilitation of landfill site

Opening Balance

Contributions to provision
Expenditure incurred

Closing Balance

Less: Transfer to Current Provision

Non-current Provision

Key Assumptions

The timing for the possible outflow of resources for the rehabilitation for the landfill financial statements. The discount rate used to calculate the obligation at year-end is

The following key assumptions were made to arrive at the amount disclosed as a position

*Environmental impact process for establishment of solid waste disposal site
Supply and operation of machinery to transfer refuse
Sloping and spreading of slopes and ground work, including manual hand labour*

An estimated amount was calculated and an average discount rate of 5.96% as per SAGS end.

26 CASH GENERATED BY OPERATIONS

Surplus for the year

Adjustment for non-cash items:-

Grant revenue recognised
 Gain on Fair Value Adjustment of Investment Property
 Impairment reversals - receivables from non-exchange transactions
 Depreciation and amortisation
 Loss on sale of assets
 Employment benefits changes - current
 Employment benefits changes - non-current
 Provisions adjustment
 Impairment - receivables from non-exchange transactions
 Impairment - receivables from exchange transactions

Adjustment for cash items:-

Grant revenue received

Operating surplus before working capital changes:

(Increase)/decrease receivables from non-exchange transactions

(Increase)/decrease receivables from exchange transactions

(Increase)/decrease in VAT receivable

(Increase)/decrease in Inventory

(Increase)/decrease in Prepayments

Increase/(decrease) in payables from exchange transactions

Increase/(decrease) in unspent conditional grants

Cash generated by operations**27 COMPARATIVE INFORMATION AND RECLASSIFICATION**

Comparatives have been reclassified to comply with GRAP presentation and disclosure requirements. The line items affected is as follows:

Payables from exchange transactions
 Employee benefit obligation- current
 Employee benefit obligation- non-current
 Provisions

28 CORRECTION OF ERROR

Receivables from non-exchange transactions
 Inventories

Total impact on Net Assets*Effect on net assets/ accumulated surplus*

Accumulated surplus - opening balance

Effect on surplus

Total impact on Accumulated Surplus**28.1 Property rates billing correction**

The municipality did not bill the National and Provincial Departments of Public Works during 2009 - 2013 and incorrectly billed property rates on property not under its jurisdiction.

Current Assets

Receivables from non-exchange transactions - property rates

Effect on net assets/ accumulated surplus

Accumulated surplus - opening balance

Revenue from non-exchange transactions - Property Rates

28.2 Misallocation of inventory

The municipality incorrectly expense inventory relating to the 2011/12 financial year

The comparative amounts have been restated as follows:

Current Assets

Inventories

Expenses

Repairs and Maintenance

29 CHANGE IN ESTIMATE

The useful life and conditions of property, plant and equipment are reviewed on an annual basis by management. In the current period the condition of some of these assets deteriorated more than initially estimated. Management have revised their estimate based on the adjusted condition of these assets. The effect of this revision has increased/(decreased) the depreciation charges for the period by:

30 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

30.1 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful exp.

Opening balance -

Fruitless and wasteful expenditure current year

Condoned or written off by Council

To be recovered – contingent asset

Fruitless and wasteful expenditure awaiting condonement

The fruitless and wasteful expenditure is still with MPAC for investigations

30.2 Irregular expenditure

Reconciliation of irregular expenditure

Opening balance -

Irregular expenditure current year

Prior year correction 2012/2013

Correction in balance brought forward due to calculation error

Condoned or written off by Council

Reversal of condonement - Still with MPAC

Irregular expenditure awaiting condonement

Council rescinded **Resolution 47/2013** in order to subject the 2012/13 irregular expen

30.3 Unauthorised Expenditure

Reconciliation of Unauthorised expenditure

Opening balance -

Unauthorised expenditure current year

Prior year correction

Condoned or written off by Council

Reversal of condonement - Still with MPAC

Unauthorised expenditure awaiting condonement

Council rescinded **Resolution 45/2013** in order to subject the 2012/13 irregular expen

**31 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE
MANAGEMENT ACT**

31.1 Audit fees

Opening balance
Current year audit fee
Amount paid - current year
Amount paid - previous years
Balance unpaid (included in payables)

31.2 VAT

VAT input receivables are shown in note 18. All VAT returns have been submitted by

31.3 PAYE, UIF and SDL

Opening balance
Current year movement
Current year payroll deductions
Amount paid - current year
Amount paid - previous years
Balance receivable (included in note 17)

31.4 Pension and Medical Aid Deductions

Opening balance
Movement - Current year
Current year payroll deductions and Council Contributions
Amount paid - current year
Amount paid - previous years
Balance unpaid (included in note 23)

**31.5 Non-Compliance with Chapter 11 of the Municipal Finance
Management Act**

No non-compliance with Chapter 11 of the MFMA

32 CAPITAL COMMITMENTS

32.1 Commitments in respect of capital expenditure

- **Approved and contracted for**
Infrastructure and Community Assets

- **Approved and not yet contracted for**

Infrastructure and Community Assets

Total

This expenditure will be financed from:

- Government Grants

33 OPERATING LEASES

At the reporting date the entity has commitments due under operating leases receivable which fall due as follows:

Operating leases - lessor

Within one year

In the second to fifth year inclusive

After five years

Total

Operating Leases consists of the following:

Operating lease payments represent rentals payable by the municipality for certain o average term of three years and rentals are fixed. The initial lease agreement expirec to a month to month ending 28th February 2013.

34 EVENTS AFTER REPORTING DATE

No material events occurred after reporting date that may have an impact on the financial statements.

35 RETIREMENT BENEFIT INFORMATION**35.1 Defined contribution plan**

An amount of R6358618.56 (2013: R5691248.63) was contributed by Council in respect of employee retirement funding. These contributions have been expensed and are included in employee relations expenses.

36 CONTINGENT LIABILITY**36.1 Legal Claim**

Legal claim was instituted against the Municipality by a previous employees and a senior official. The municipalities lawyers are defending the matter in court and are of the opinion that the municipality may have to pay a settlement. However there are uncertainties of the outflow of resources. As at 30 June 2013 the amount of the claim was R1,2 million.

36.2 Wage curve agreement

As a result of the uncertainties arising from the dispute declared by the unions and the wage curve agreement, the municipality may have an additional payable for employee wages, determined by the wage curve. It is not practicable to reliably estimate the amount of this payable prior to the outcome of the dispute.

37 RELATED PARTIESMembers of key management - Section 57

Remuneration of management - Section 57

Mr G Lekomanyane - Municipal Manager

Ms GS Sepeng - Director: Corporate Services

Ms MP Leburu - Chief Financial Officer

Mr GC Mabilo - Director: Technical Services

Mr TN Kopele - Director: Town Planning and Development

Declarations of interest was circulated to all employee of the municipality and a CIPR Compensation to councillors and other key management (refer to note 9 & 10)

Payments to family members of persons in service of the municipality

Ms C Setlhaku (Daughter) - Refilwe Botsalano Trading & Enterprise

CLlr M Lentswe (Son) - Modiboa Electrical

Mr KK Nthutang (Spouse) - Aobakwe Catering & Enterprise

C Makaota (Spouse) - Batsatsing Consulting

Z Joubert (Spouse) - Altimax

M Shaikhmag (Child) - Compu Cell

C Nthwane (Child) - G T Nthwane

A K Moroka (Spouse) - Tamong General Dealer

38 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The following areas involve a significant degree of estimation uncertainty:

38.1 The useful lives and residual values of property, plant, and equipment

In accordance with GRAP 17.61 the municipality implemented an accounting policy to ensure that the useful lives of other assets are reviewed at least at each reporting date

The residual value of infrastructure and community assets are not reviewed as they are not expected to be used beyond their useful life

The carrying value of assets at year end, subject to the annual review is:

38.2 Impairment allowance

Management uses judgement in line with its approved policy to calculate impairment allowance

The policy requires individual assessment of long outstanding debtors

Statutory receivables

Receivables carried at amortised cost

The carrying value of the provision for bad debt is:

38.3 Provision for rehabilitation of landfill site

The provision has been estimated at the current estimated costs to rehabilitate the landfill sites. De-escalation of the current estimated costs in order to arrive at estimated costs for the previous financial years, were calculated using the average Consumer Price Indices and inflation rates (July to June per financial year) from SASTATS

The closing balance of the provision is:

39 RISK MANAGEMENT

39.1 Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality has a policy to ensure that it only deals with high quality credit standing and limits exposure to any one counter-party.

The municipality does not render any services (other than rates and taxes) to the community and therefore its credit risk is assessed as low.

Other receivables comprise a widespread customer base. Management evaluates credit risk on a regular basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other relevant information.

Financial assets exposed to credit risk at year end were as follows:

Current Account - First National Bank

Trade and other receivables

These balances represent the maximum exposure to credit risk.

39.2 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments and credit facilities.

Because of low levels of creditors and no long term liabilities the liquidity risk of the municipality is low.

39.3 Interest rate risk

As the municipality has no interest-bearing assets, the municipality's income and operating expenses are not affected by changes in market interest rates. The municipality's assessment of interest rate risk is low.

40 COMPARISON WITH THE BUDGET

	<u>Actual</u> <u>Expenditure</u>
Office of the Mayor and Council	8 865 294
Office of the Speaker	9 405 724
Office of the Municipal Manager	11 455 379
Budget and Treasury	24 856 091
Corporate Services	17 084 434
Planning and Development	7 374 876
Community Services	7 526 164
Technical Services	10 015 245
Total Expenditure	96 583 206

Please refer to NOTE 40.2 for additional information on the Municipality's actual expenditure.

NTS

2014	2013
R	R
9 738 543	3 107 484
1 304 592	
9 738 543	3 107 484
	-
9 738 543	3 107 484

1 863 473 331	1 863 473 331
---------------	---------------

ame into effect on 1 July 2009.

sment rates. An average rebate of 26.25% are
rates. Rates are levied on an yearly basis with the

9.70%	20.85%
3.02%	9.35%
0.68%	-30.20%
13.40%	0.00%

73 777 000	67 258 168
1 080 000	1 053 000
1 650 000	1 652 834
89 823	143 378
36 236 405	17 446 919
890 000	800 000
750 000	750 000
114 473 228	89 104 298

73 777 000	67 258 168
------------	------------

1 080 000	1 053 000
1 080 000	1 053 000

1 650 000	1 500 000
0	152 834
1 650 000	1 652 834

89 823	143 378
89 823	143 378

38 796 000	21 923 000
(814 522)	-
-	(3 321 168)
7 545 120	6 390 206
(9 290 193)	(7 545 120)
36 236 405	17 446 919

olift the community.

890 000	800 000
-	-
890 000	800 000

750 000	750 000
750 000	750 000

1 265 000	-
2 708 711	51 600
3 973 711	51 600

1 491 332	-
(226 332)	-
1 265 000	-

2 252 155	-
-----------	---

1 033 006	786 972
8 005	
1 041 011	786 972

202 665	272 475
202 665	272 475

562 981	2 946 513
562 981	2 946 513

1 361 998	1 391 223
562 981	2 946 513
1 924 979	4 337 736

11 131	-
9 831	-
40 000	-
263 734	263 067
80 257	575 321
404 953	838 387

23 090 133	20 514 180
2 158 025	1 575 733
318 826	253 796
906 993	-
284 663	-
3 291 637	1 037 948
6 358 619	5 691 249
6 032	-
78 994	90 040
-	1 158 683
36 493 922	30 321 629

909 059	653 572
-	48 173
159 155	160 284
235 143	166 232
27 915	3 996
1 331 271	1 032 257

835 848	433 868
111 331	90 463
22 724	6 379
27 852	-
997 753	530 709

554 063	491 773
324 812	116 726
43 086	58 168
23 115	2 675
945 076	669 342

461 883	415 026
345 444	144 734
110 632	134 047
23 115	2 412
941 074	693 807

716 691	476 207
105 621	116 101
25 681	43 337
23 115	2 671
871 109	638 317

7 787 212	7 557 359
-----------	-----------

816 469	857 042
8 603 681	8 414 401

564 163	540 224
513 192	482 277
2 213 115	2 070 687
4 496 741	4 464 171
816 469	857 042
8 603 681	8 414 401

7 238 383	6 511 907
------------------	------------------

	5 521 237
213 358	
213 358	5 521 237

674 901	-
103 800	-
202 996	-

3 385 150	1 390 967
-	355 193
2 845 987	3 285 492
2 068 691	-
826 090	1 844 860
10 107 616	6 876 512

-

740 091	1 039 683
351 413	360 511
-	-
2 093 612	1 766 709
143 334	-
60 939	79 328
-	50 604
468 173	1 411 488
98 174	166 546
-	28 145
122 648	77 846
-	245 756
(307)	132 712
-	994 030
-	-
-	-
339 478	-
-	-
231 089	178 333
-	277 073
1 936 962	1 697 384
364 990	-
-	37 516
239 643	273 821
-	-
757 460	181 793
150 268	-
979 757	947 382
-	-
-	-
257 808	214 226
1 975 330	1 563 423
22 900	136 016
68 268	45 569
-	-
-	13 600
-	-
-	-
2 158 602	1 976 141
-	-

83 445

55 100

-	-
4 945	-
857 237	401 310
-	-
-	(5 815)
-	-
-	-
-	-
93	-
700 315	-
808 301	890 552
144 966	8 000
72 172	160 916
-	-
14 767	25 343
-	203 097
-	181 301
363 234	-
-	-
-	-
-	-
1 114 185	2 964 370
10 024	8 400
1 655 500	1 842 000
437 525	1 461 235
167 272	191 949
318	636
1 818 620	1 796 886
-	-
7 410	105 000
891 929	1 113 988
38 750	259 930
946 014	201 231
-	-
48 347	434 720
161 761	-
<hr/>	
23 907 763	26 195 782
<hr/>	

4 003	5 224
13 672 816	17 047 994
13 905 809	82 911
<hr/>	
27 582 628	17 136 129

-

27 582 628	17 136 129
-------------------	-------------------

17 047 994	21 078 123
13 672 816	17 047 994

17 549 179	30 382 602
13 672 816	17 549 179

1 761	2 468 814
2 593 678	1 761

1 761	2 468 814
2 593 678	1 738

-	93 807
-	-

-	-
-	-

81 149	1 252 584
11 312 130	81 149

81 149	1 252 584
11 312 130	81 149

(66 602)	(65 376)
-	(66 602)

(66 602)	(65 376)
-	(66 602)

4 003	5 224
27 582 627	17 069 526

17 671 167	39 638
21 936 539	6 557 165
(4 265 372)	(6 517 527)
5 554 323	-
3 054 323	47 168 350
2 500 000	47 168 350
23 225 490	39 638

6 517 527	4 340 288
-	4 100 351
-	(1 923 112)
(2 252 155)	
4 265 372	6 517 527

14 778 826	2 464 729
23 019	194 612
(28 086)	198 570
23 019	194 612
(5 877)	2 784 086
13 206 097	7 172 926
27 996 998 -	13 009 534
(4 265 372)	(6 517 527)
23 731 625	6 492 007

542 759	83 552
2 177 003	1 504 438
(1 634 244)	(1 420 886)
156 705	
3 709	173 940
703 173	257 492

1 420 886	-
213 358	(1 420 886)
-	-
1 634 244	1 420 886

196 353	154 055
92 724	112 283
92 678	108 282
69 894	104 546
28 258	126 354
1 502 116	898 920
1 982 023 -	1 504 438
(1 634 244)	(1 420 886)
347 779	83 552

10 845 880	16 415 574
10 845 880	16 415 574

received from debtors.

1 048 711	396 286
612 063	380 505
398 675	15 781
37 973	
516 543	1 454 326
506 817	934 327
9 726	520 000
-762 782	-765 658
-645 661	-628 553
-117 121	-137 106
-81 723	-74 216
-81 723	-74 216
-	-
720 748	1 010 738
391 495	612 063
329 253	398 675
720 748	1 010 738

od is used as the inventories have a similar nature
e value

17 350 000	16 680 000
1 041 000	670 000
18 391 000	17 350 000

871 141	774 305
275 646	801 541

ed by an independent valuer, George Chelechele of
nected to the entity and have recent experience in
ed on means of comparable sales. These

1 488 781	846 118
3 015 664	2 229 198
4 504 445	3 075 316
904 498	4 928
5 408 943	3 080 243

846 118	596 242
1 285 785	1 575 734
(1 713 195)	(1 325 857)
1 488 781	846 118

2 229 198	1 674 431
786 466	909 855
	(355 089)
3 015 664	2 229 198

647 327	463 187
284 663	204 389
(27 492)	(20 249)
904 498	647 327

relationship between them is more stable and market expectations at the valuation date for the

orporate bond yields. However, where the market in h the estimated term of the post-employment used. This rate does not reflect any adjustment for

l) than in absolute terms. In most industries, 2.5% above CPI inflation. We assessed the general % per annum

3 155 337	2 292 764
1 268 868	3 343 857
	2 229 198
	846 118
18 438 319	1 825 824
22 862 523	10 537 761

-	-
0	(0)
233 044	2 712 757
10 104 715	7 545 120
-	-
<hr/>	
10 337 759	10 257 876
226 332	-
<hr/>	
10 564 091	10 257 876
<hr/>	

ed in ring-fenced investment until utilised.

951 821	556 575
	642 399
951 821	1 198 974
<hr/>	

556 575	527 351
395 246	29 224
-	-
951 821	556 575
-	-
951 821	556 575
<hr/>	

site could not be determined at the date of the
was 5.54%

sible future obligation:

ASTATS was used to calculate the obligation at year-

39 823 897	13 141 565
(103 936 969)	(78 977 426)
(118 446 939)	(89 104 298)
(1 041 000)	(670 018)
(2 252 155)	-
7 238 383	6 511 907
5 584 840	472 976
4 516 489	(1 928 275)
892 454	(452 577)
(642 399)	671 623
-	5 521 237
213 358	-
(68 995 464)	(909 153)
(68 995 464)	(909 153)
184 340 325	91 756 932
(20 933 697)	(2 538 446)
(659 039)	1 196 538
5 569 694	(6 091 724)
289 989	(614 451)
-	1 556 321
12 324 762	7 233 162
187 748 617	91 015 532
51 231 790	25 011 919

(3 075 316)
3 075 316
4 928
(4 928)

6 457 129
37 973

6 495 102

4 188 840

2 306 262

6 495 102

6 457 129

4 188 840

2 268 289

6 457 129

37 973

37 973

102 432	61 555
---------	--------

-	-
47 059	21 789
-	(21 789)
-	-
47 059	-

44 151 138	9 932 626
20 413 439	34 218 512
(13 031 475)	
12 660	
	(34 218 512)
-	34 218 512
51 545 762	44 151 138

diture to MFMA s32 and circular 68 processes

19 230 085	8 106 889
2 479 750	11 123 196
2 659 742	-
-	(11 486 015)
-	11 486 015
24 369 577	19 230 085

iditure to MFMA s32 and circular 68 processes

229 789	18 514
2 104 838	1 766 709
(2 386 362)	(1 536 919)
(269 045)	(18 514)
(320 780)	229 789

the due date throughout the year

3 717	3 681
13 248 442	(5 038 900)
(13 248 443)	5 038 936
	-
3 716	3 717

99 065	99 064
-	-
(10 612 811)	(9 035 165)
10 612 811	9 035 166
-	-
99 065	99 065

18 198 156

12 115 551

-	1 893 413
18 198 156	14 008 964
18 198 156	14 008 964
18 198 156	14 008 964

-	-
-	-
-	-

if its office equipment. Leases are negotiated for an
 d by end of May 2012 and it was further extended

ancial statements

ect of Councillors and employees retirement
ted costs (refer to note 9)

1 525 000	450 000
-----------	---------

ervice providers for services rendered and not paid.
hat the court will find in favour of the Municipality,
municipality does not expect any reimbursement

ne pending litigation regarding the wage curve
pending on the outcome of the pending litigation.
me of the pending litigation.

1 331 271	1 032 257
871 109	638 317
997 753	696 714
945 076	669 342
941 074	696 219

.O search performed.

63 350	32410
-	22050
2 550	12 725
1 105 040	
125 400	
189 799	
35 500	

2 890	
1 524 529	67 185

to ensure that the residual value and the useful life
are specialized in nature and are expected to be

183 812 482

149 340 387

t losses on outstanding debt.

4 265 372

6 517 527

1 634 244

1 420 886

5 899 6167 938 413

951 821

1 198 974

municipality only deposits cash with major banks

community and therefore the credit risk exposure is

credit risk relating to customers on an ongoing basis.
to independent rating, risk control assesses the
price and other factors.

27 578 625

17 130 904

2 177 003

1 504 438

commitments. The municipality manages liquidity risk

municipality is assessed as low.

operating cash flows are substantially independent of
s assessed as low.

30 JUNE 2014	
<u>Budget</u>	<u>Unauthorised Expenditure</u>
9 999 460	-
10 234 701	-
14 622 655	-
22 376 341	2 479 750
17 710 276	-
9 046 395	-
8 380 884	-
11 810 711	-
104 181 423	2 479 750

financial performance with the budget.

Ratlou Local Municipality
NOTES TO THE FINANCIAL STATEMENT
for the year ended 30 June 2014

21 PROPERTY, PLANT AND EQUIPMENT

21.1 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure
	R	R	R
as at 1 July 2013	972 272	17 107 800	31 264 009
Cost/Revaluation	1 044 979	20 872 378	32 400 605
Accumulated depreciation and impairment losses	(72 707)	(3 764 578)	(1 136 596)
Acquisitions	-	14 300	6 351 265
Capital under construction (capitilised)	-	-	-
Capital under Construction	-	159 588	3 328 497
Other Movements*	29 224	-	-
Depreciation	(41 799)	(699 678)	(639 088)
Carrying value of disposals	-	-	-
Cost/Revaluation	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Impairment loss/Reversal of impairment loss			
Transfers			
as at 30 June 2014	959 697	16 582 010	40 304 683
Cost/Revaluation	1 074 203	21 046 266	42 080 367
Accumulated depreciation and impairment losses	(114 506)	(4 464 256)	(1 775 684)

Refer to Appendix A for more detail on property, plant and equipment

In terms of GRAP 17 management assessed the residual value and useful life of all property, plant and equipment (except for motor vehicles) were assessed at zero, as the economic life of these assets

Ratlou Local Municipality
NOTES TO THE FINANCIAL STATEMENT
for the year ended 30 June 2013

21.2 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure
	R	R	R
as at 1 July 2012	799 537	15 851 585	22 514 518
Cost/Revaluation	831 615	18 955 683	23 255 959
Accumulated depreciation and impairment losses	(32 078)	(3 104 098)	(741 441)
Acquisitions	184 140	1 773 695	683 429
Capital under Construction (Capitalised)	-	-	-
Capital under Construction	-	143 000	8 461 217
Other Movements*	29 224	-	-
Depreciation	(40 629)	(660 480)	(395 155)
Carrying value of disposals	-	-	-
Cost/Revaluation	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Impairment loss/Reversal of impairment loss			
Transfers			
*Other movements			
as at 30 June 2013	972 272	17 107 800	31 264 009
Cost/Revaluation	1 044 979	20 872 378	32 400 605
Accumulated depreciation and impairment losses	(72 707)	(3 764 578)	(1 136 596)

Refer to Appendix A for more detail on property, plant and equipment

ENTS

↓

Community	Heritage	Intangible assets	Other Assets	Total
R	R	R	R	R
89 617 553	-	1 132 156	9 354 492	149 448 283
103 689 908	-	1 423 752	14 452 350	173 883 971
(14 072 355)	-	(291 596)	(5 097 859)	(24 435 688)
7 449 119	-	434 232	5 233 098	19 482 014
-	-	-	-	-
21 979 423	-	-	-	25 467 508
-	-	-	-	29 224
(2 884 278)	-	(326 146)	(2 128 842)	(6 719 831)
(5 143 534)	-	(97 145)	1 045 373	(4 195 306)
(5 609 902)	-	(431 875)	431 875	(5 609 902)
466 368	-	334 730	613 498	1 414 596
				-
				-
111 018 283	-	1 143 097	13 504 121	183 812 482
127 508 548	-	1 426 109	20 117 323	213 252 815
(16 490 265)	-	(283 012)	(6 613 203)	(29 740 925)

ment. For the period under review the residual values of all property, are greater than the useful life.

ENTS

3

Community	Heritage	Intangible assets	Other Assets	Total
R	R	R	R	R
80 482 544	-	374 780	8 179 177	128 202 141
91 628 943	-	574 909	11 354 846	146 601 955
(11 146 399)	-	(200 129)	(3 175 670)	(18 399 815)
1 557 341	-	848 843	4 043 219	9 090 667
-	-	-	-	-
10 503 623	-	-	-	19 107 840
-	-	-	-	29 224
(2 925 956)	-	(91 467)	(2 398 221)	(6 511 907)
-	-	-	(469 684)	(469 684)
-	-	-	(945 715)	(945 715)
-	-	-	476 031	476 031
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
89 617 553	-	1 132 156	9 354 492	149 448 281
103 689 908	-	1 423 752	14 452 350	173 883 971
(14 072 355)	-	(291 596)	(5 097 859)	(24 435 690)

40.2 Explanation of significant variances (greater than 10%) of actual and budget**REVENUE****Revenue from Non-exchange Transactions**

Property Rates

Government Grants and Subsidies Received

Public Contributions and Donations

Impairment losses - reversed

Interest revenue

Revenue from Exchange Transactions

Lease revenue

Interest revenue

Gain - fair value measurement

Other

TOTAL REVENUE**EXPENDITURE**

Employee Related Costs

Remuneration of Councillors and Executives

Collection Costs

Depreciation and Amortisation

Impairment Losses

Repairs and Maintenance

Finance Charges

Contracted Services

General Expenses

Loss on Disposal of Property, Plant and Equipment

TOTAL EXPENDITURE**NET SURPLUS / (DEFICIT) FOR THE YEAR**

2014 Variance**R****%**

6 428 543	194% <i>Billing due to billing of state property rate on properties.</i>
-11 279 892	-9% <i>Grants were transferred in full</i>
3 973 711	100% <i>Assets were donated by NMMDM</i>
2 252 155	100%
-158 989	-13%
61 998	5%
1 041 000	100%
-19 100 518	-98% <i>Surplusses from previous years were disclosed under other</i>
-16 579 328	-11%
-2 922	0% <i>The difference is not material</i>
-103 681	-1% <i>The difference is not material</i>
62 676	1% <i>The difference is not material</i>
2 796 642	93%
851 534	19% <i>There were circumstances that were not seen when compilling</i>
26 674	33% <i>Interest charge on water project vote.</i>
-5 107 616	-102% <i>Additional contracted services</i>
16 115 667	41%
-5 584 840	100% <i>Transfrring of assets.</i>
9 054 134	9%
-7 525 194	-0

Ratle

ANALYSIS OF PI

	Cost / Revaluation					
	Opening Balance		Additions	Under Construction (capitilised)	Disposals	Other Movements
	Cost	Under Construction				
	R	R	R		R	R
Land						
Land	-	-	-			-
Landfill Sites	972 273	-	-		-	29 224
	972 273	-	-	-	-	29 224
Buildings	17 107 800	143 000	14 300			-
Infrastructure	-					
Roads	30 355 940	16 847 516	6 322 240		-	-
Electricity	676 126	-	-		-	
Water Tanks and Stands	350 342	-	29 025		-	
	31 382 408	16 847 516	6 351 265	-	-	-
Community Assets						
Libraries	21 318 706	2 043 367	504 243	-	-	-
Recreation						
Grounds	20 554 338	970 604	-	-	-	-
Halls	34 612 198	6 899 176	1 023 156		-	-
Cemeteries	3 048 632	-	290 370		(3 178 666)	-
Community Buildings	10 083 680	5 200 360	5 631 350		(2 431 236)	-
	89 617 553	15 113 507	7 449 119	-	(5 609 902)	-
Total carried forward	139 080 033	32 104 023	13 814 684	-	(5 609 902)	29 224

Ratio

ANALYSIS OF PI

	Cost / Revaluation					
	Opening Balance		Additions	Under Construction (capitilised)	Disposals	Other Movements
	Cost	Under Construction				
	R	R	R		R	R
Total brought forward	139 080 033	32 104 023	13 814 684	-	(5 609 902)	29 224
Heritage Assets						
Historical Buildings	-		-	-	-	-
	-	-	-		-	-
Other Assets						
Office Equipment	524 491		664 180	-	(3 455)	-
Furniture & Fittings	2 683 511		-	-	(86 979)	-
Bins and Containers	13 801		-	-	(10 329)	-
Emergency Equipment	60 541		-	-	-	-
Machinery and Equipment	-		-	-	-	-
Motor Vehicles	7 666 745		3 813 551	-	(639 182)	-
Computer Equipment	2 662 117		699 937	-	(391 575)	-
Computer Software (part of computer equipment)	1 543 752		434 232	-	(431 875)	-
Other Assets	995 681		55 430	-	(37 485)	-
Refuse Removal - Donkey Carts	11 952		-	-	-	-
	16 162 591	-	5 667 330	-	-	-
	-					
GRAND TOTAL	155 242 624	32 104 023	19 482 014	-	(5 609 902)	29 224

Ratio

ANALYSIS OF PI

	Cost / Revaluation					
	Opening Balance		Additions	Under Construction (capitilised)	Disposals	Other Movements
	Cost	Under Construction				
	R		R		R	R
Land						
Land	-	-	-			-
Landfill Sites	831 615	-	184 140	-	-	29 224
	831 615	-	184 140	-	-	29 224
Buildings						
	18 955 683	-	1 773 695	-	-	-
Infrastructure						
Roads	14 299 319	8 665 498	-		-	-
Electricity	-	-	683 429		-	
Water Tanks and Stands	291 142	-	-		-	
	14 590 461	8 665 498	683 429	-	-	-
Community Assets						
Libraries	22 715 155	-	-	-	-	-
Recreation Grounds	24 077 008	200 800	-	-	-	-
Halls	32 893 503	4 409 084	143 183			-
Cemeteries	2 774 182	-	404 483		-	-
Community Buildings	4 559 211	-	1 009 675		-	-
	87 019 059	4 609 884	1 557 341	-	-	-
Total carried forward						
	121 396 818	13 275 382	4 198 605	-	-	29 224

Ratio

ANALYSIS OF P

	Cost / Revaluation					
	Opening Balance		Additions	Under Construction (capitilised)	Disposals	Other Movements
	Cost	Under Construction				
	R		R		R	R
Total brought forward	121 396 818	13 275 382	4 198 605	-	-	29 224
Heritage Assets						
Historical Buildings	-	-	-	-	-	-
	-	-	-	-	-	-
Other Assets						
Office Equipment	460 707		5 649		-	-
Furniture & Fittings	2 492 684		135 077		(48 992)	-
Bins and Containers	13 801		-		-	-
Emergency Equipment	58 278		2 635		(2 562)	-
Machinery and Equipment	-		-		-	-
Motor vehicles	5 430 222		2 620 656		(384 133)	-
Computer Equipment	1 793 667		1 076 506		(292 970)	-
Computer Software (part of computer equipment)	574 909		848 843		-	-
Other Assets	962 068		202 696		(85 641)	-
Refuse Removal - Donkey Carts	143 420		-		(131 417)	-
	11 929 756	-	4 892 062	-	(945 715)	-
GRAND TOTAL	133 326 573	13 275 382	9 090 667	-	(945 715)	29 224

ou Local Municipality

APPENDIX A
PROPERTY PLANT AND EQUIPMENT

as at 30 June 2014

		Accumulated Depreciation				Transfers
Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance	
R	R	R	R	R	R	R'000
-	-	-	-	-	-	-
-	1 001 497	(72 707)	(41 799)	-	(114 506)	-
-	1 001 497	(72 707)	(41 799)	-	(114 506)	-
159 588	17 424 688	(3 764 578)	(699 678)	-	(4 464 256)	-
3 328 497	56 854 193	(1 070 093)	(539 738)	-	(1 609 831)	-
-	676 126	(7 302)	(68 343)	-	(75 645)	-
-	379 367	(59 200)	(31 007)	-	(90 207)	-
3 328 497	57 909 686	(1 136 596)	(639 088)	-	(1 775 684)	-
4 719 186	28 585 502	(3 439 816)	(810 683)	-	(4 250 499)	-
1 335 336	22 860 278	(4 493 274)	(825 820)	-	(5 319 094)	-
-	42 534 530	(5 323 664)	(732 741)	-	(6 056 405)	(11 400 000)
-	160 336	(130 033)	(108 316)	235 989	(2 360)	-
15 924 901	34 409 055	(685 567)	(406 718)	230 379	(861 906)	-
21 979 423	128 549 700	(14 072 355)	(2 884 278)	466 368	(16 490 265)	(11 400 000)
25 467 508	204 885 570	(19 046 235)	(4 264 843)	466 368	(22 844 710)	(11 400 000)

ou Local Municipality
APPENDIX A
PROPERTY PLANT AND EQUIPMENT
as at 30 June 2014

Under Construction	Closing Balance	Accumulated Depreciation				Transfers
		Opening Balance	Depreciation	Disposals	Closing Balance	
R	R	R	R	R	R	R'000
25 467 508	204 885 570	(19 046 235)	(4 264 843)	466 368	(22 844 710)	(11 400 000)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
	1 185 216	(247 465)	(56 910)	1 883	(302 492)	-
	2 596 532	(1 256 384)	(358 339)	46 991	(1 567 732)	-
	3 472	(4 561)	(1 441)	4 371	(1 631)	-
	60 541	(28 612)	(4 457)	-	(33 069)	-
	-	-	-	-	-	-
	10 841 114	(2 210 717)	(1 133 276)	259 303	(3 084 690)	-
	2 970 479	(1 001 533)	(456 108)	275 742	(1 181 899)	-
	1 546 109	(437 396)	(326 146)	334 730	(428 812)	-
	1 013 626	(361 068)	(116 806)	25 208	(452 666)	-
	11 952	(2 924)	(1 505)	-	(4 429)	-
-	20 229 041	(5 550 660)	(2 454 988)	948 228	(7 057 420)	-
		-				
25 467 508	225 114 611	(24 596 895)	(6 719 831)	1 414 596	(29 902 130)	(11 400 000)

ou Local Municipality

APPENDIX A

PROPERTY PLANT AND EQUIPMENT

as at 30 June 2013

Under Construction	Closing Balance	Accumulated Depreciation				Transfers
		Opening Balance	Depreciation	Disposals	Closing Balance	
R	R	R	R	R	R	R'000
-	-	-	-	-	-	-
-	1 044 979	(32 078)	(40 629)	-	(72 707)	-
-	1 044 979	(32 078)	(40 629)	-	(72 707)	-
143 000	20 872 378	(3 104 098)	(660 480)	-	(3 764 578)	-
8 461 217	31 426 033	(711 355)	(358 738)	-	(1 070 093)	-
-	683 429	-	(7 302)	-	(7 302)	-
-	291 142	(30 086)	(29 114)	-	(59 200)	-
8 461 217	32 400 604	(741 441)	(395 155)	-	(1 136 596)	-
2 043 367	24 758 522	(2 682 644)	(757 172)	-	(3 439 816)	-
769 804	25 047 612	(3 690 707)	(802 567)	-	(4 493 274)	-
2 490 092	39 935 862	(4 222 756)	(1 100 909)	-	(5 323 664)	-
-	3 178 665	(28 585)	(101 449)	-	(130 033)	-
5 200 360	10 769 247	(521 707)	(163 859)	-	(685 567)	-
10 503 623	103 689 908	(11 146 399)	(2 925 956)	-	(14 072 355)	-
19 107 840	158 007 868	(15 024 016)	(4 022 219)	-	(19 046 235)	-

ou Local Municipality

APPENDIX A

PROPERTY PLANT AND EQUIPMENT

as at 30 June 2013

		Accumulated Depreciation				Transfers
Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance	
R	R	R	R	R	R	R'000
19 107 840	158 007 869	(15 024 016)	(4 022 219)	-	(19 046 235)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
	466 356	(182 925)	(61 232)	-	(244 158)	-
	2 578 768	(888 879)	(374 559)	19 450	(1 243 989)	-
	13 801	(2 540)	(2 022)	-	(4 562)	-
	58 351	(20 620)	(9 846)	2 050	(28 417)	-
	-	-	-	-	-	-
	7 666 744	(1 249 457)	(1 186 801)	223 551	(2 212 707)	-
	2 577 203	(681 459)	(564 283)	163 496	(1 082 245)	-
	1 423 752	(200 129)	(91 467)	-	(291 596)	-
	1 079 124	(135 194)	(179 041)	35 377	(278 858)	-
	12 003	(14 595)	(20 437)	32 108	(2 924)	-
-	15 876 102	(3 375 799)	(2 489 688)	476 031	(5 389 455)	-
		-				
19 107 840	173 883 971	(18 399 815)	(6 511 907)	476 031	(24 435 690)	-

Carrying Value
R

-
886 991
886 991
12 960 432

55 244 362
600 481
289 160
56 134 002

24 335 003
17 541 183
25 078 125
157 975
33 547 149
100 659 436
170 640 861

Carrying Value
R

170 640 861

-
-

-

882 724

1 028 800

1 841

27 472

-

7 756 424

1 788 580

1 117 297

560 960

7 523

13 171 621

183 812 482

Carrying Value
R

-
972 273
972 273
17 107 800

30 355 940
676 126
350 342
31 264 008

21 318 706
20 554 338
34 612 198
3 048 632
10 083 680
89 617 553
138 961 633

Carrying Value
R
138 961 634
-
-
222 198
1 334 780
9 239
29 934
-
5 454 037
1 494 959
1 132 156
800 265
9 079
10 486 647
149 448 281

Ratlou Local Municipality
Annual Financial Statement for the year ended 30 June 2017
SEGMENTAL ANALYSIS OF PROPERTIES
as at 30 June 2017

	Cost / Revaluation				
	Opening Balance	WIP Capitalised	Additions	Other Movements	Disposals
	R		R	R	R
Office of the Mayor	932 780.70		378 386.58	-	(250 375.72)
Office of the Speaker	354 899.38		108 261.41	-	(698.62)
Office of the Municipal Manager	2 685 804.99		363 291.86	-	(232 197.92)
Budget and Treasury	711 307		607 394	-	(157 445)
Corporate Services	6 536 241		3 873 981	-	(838 918)
Community Services	2 259 956		7 740	-	(30 783)
Planning and development	147 774 903		1 231 481	29 224	
Technical Services	12 871 411		9 411 479	-	
Total	174 127 303	-	15 982 015	29 224	(1 510 419)

ocal Municipality
PPENDIX B
TY, PLANT AND EQUIPMENT
 t 30 June 2014

		Accumulated Depreciation				Carrying value
Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Closing Balance	
R	R	R	R	R	R	R
	1 060 792	(358 309.85)	(165 641.07)	176 819.43	(347 131)	713 660
	462 462	(144 314.26)	(73 584.26)	698.33	(217 200)	245 262
	2 816 899	(664 136.27)	(497 933.62)	121 511.10	(1 040 559)	1 776 340
	1 161 256	(343 776)	(107 221)	143 388	(307 609)	853 647
	9 571 304	(2 784 892)	(1 080 727)	430 917	(3 434 702)	6 136 602
	2 236 913	(810 226)	(241 211)	24 748	(1 026 689)	1 210 224
1 468 694	150 504 302	(19 346 670)	(3 928 760)	50 045	(23 225 385)	127 278 917
21 753 281	44 036 170	(128 531)	(470 380)	101	(598 810)	43 437 360
23 221 975	211 850 098	(24 580 856)	(6 565 458)	948 228	(30 198 086)	181 652 012

Ratlou Local Municipality
APPENDIX C
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2014

2013	2013	2013	2013	
Actual Income	Actual Expenditure	Other	Surplus / (Deficit)	
R	R	R	R	
1 053 000	11 305 254	-	(10 252 254)	Office of the Mayor and Council
-	12 400 836	-	(12 400 836)	Office of the Speaker
-	9 729 347	-	(9 729 347)	Office of the Municipal Manager
78 760 025	16 549 001	122 825	62 333 850	Budget and Treasury
143 378	17 183 142	-	(17 039 764)	Corporate Services
17 446 919	11 350 517	-	6 096 402	Planning and Development
771 556	6 593 707	-	(5 822 150)	Community Services
-	44 325	-	(44 325)	Technical Services
98 174 878	85 156 129	122 825	13 141 577	Total

ORMANCE

2014	2014	2014	2014
Actual Income	Actual Expenditure	Other	Surplus / (Deficit)
R	R	R	R
-	8 865 294	-	(8 865 294)
-	9 405 724	-	(9 405 724)
-	11 455 379	-	(11 455 379)
87 777 991	24 856 091	-	62 921 900
89 823	17 084 434	-	(16 994 611)
2 028 750	7 374 876	-	(5 346 126)
750 000	7 526 164	-	(6 776 164)
36 236 405	10 015 245	-	26 221 160
126 882 969	96 583 206	-	30 299 763